



**MINERVA S.A.**

Publicly-held Company

Corporate Taxpayer ID (CNPJ/MF): 67.620.377/0001-14

Company Registry (NIRE): 35.300.344.022 – CVM Code: 02093-1

**MATERIAL FACT**

**Minerva S.A.**, ("Minerva" or "Company"), leader in South America in the sale of fresh beef, with operations also in the beef processing segment, pursuant to the provisions of article 157, paragraph 4, of Law no. 6,404 of December 15, 1976, as amended ("Brazilian Corporate Law"), and in accordance with CVM Instruction 358 of January 3, 2002, as amended ("ICVM 358/02"), hereby informs its shareholders and the market in general what follows:

**I. Ratification of the Capital Increase**

1. Capital Increase. As widely disclosed to the market, Company's Extraordinary General Meeting held on October 15, 2018 ("EGM 10.15.2018") approved the Company's capital increase in the amount of one billion, fifty-nine million and three hundred thousand Brazilian Reais (R\$ 1,059,300.00), with a private subscription up to one hundred and sixty-five million (165,000,000) of new nominative, book-entry common shares, with no par value at the issue price of six Brazilian Reais and forty-two cents (R\$ 6.42) per share, fixed, established pursuant to article 170, § 1, item III, of the Brazilian Corporate Law, with the attribution, as an additional advantage to the subscribers of the shares subject to the capital increase, of one (1) subscription bonus for each new share subscribed ("Capital Increase").

2. Minimum Subscription. Pursuant to the minutes of the EGM 10.15.2018, the Capital Increase, even if partially subscribed, could be ratified if at least eighty-two million, a hundred and forty-seven thousand, eight hundred and eighty-seven (82,147,887) new common shares were subscribed, corresponding to a minimum increase in the amount of five hundred and eighty-seven million, three hundred and eighty-nine thousand, four hundred and thirty-four Brazilian Reais and fifty-four cents (R\$ 527,389,434.54) ("Minimum Subscription").

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3. Period for the Exercise of Preemptive Rights. The period for the exercise of preemptive rights and subscription of shares in the scope of the Capital Increase began on October 16, 2018, inclusive, and ended on November 14, 2018, inclusive.
4. Period for Subscription of the Remaining Shares. The period for subscribing the remaining shares and for requesting additional remaining common shares issued under the Company's Capital Increase began on November 26, 2018, inclusive, and ended on November 30, 2018, inclusive.
5. Subscribed Shares. During the periods for exercising the preemptive right and for subscribing remaining shares of the Capital Increase, there were subscribed one hundred and fifty million, two hundred and sixty-eight thousand, six hundred and ninety-eight (150,268,698) registered common shares, with no par value, in the total amount of nine hundred and sixty-four million, seven hundred and twenty-five thousand and forty-one reais and sixteen cents (R\$ 964,725,041.16) ("Subscribed Shares"), being, thus, exceeded the Minimum Subscription.
6. Non-Conduction of Auction. Since the Minimum Subscription was reached, the Capital Increase can be immediately approved, without the necessity of additional rounds for the subscription of unsubscribed shares or the conduction of the auction, as provided for in article 171, paragraph 7, item "b" of the Brazilian Corporate Law.
7. Ratification of the Capital Increase. The meeting of the Company's Board of Directors held on this date, approved, among other matters, the ratification of the Capital Increase approved on October 15, 2018, which totalized an increase of nine hundred and sixty-four million, seven hundred and twenty-five thousand and forty-one reais and sixteen cents (R\$ 964,725,041.16), with the consequent issuance of one hundred and fifty million, two hundred and sixty-eight thousand, six hundred and ninety-eight (150,268,698) common shares, all nominative, book-entry shares with no par value, at the issue price of six Brazilian Reais and forty-two cents (R\$ 6.42) per share, fixed under the terms of article 170, paragraph 1, item III, of the Brazilian Corporate Law.
8. Issuance of Subscription Bonus. As a consequence of the subscription of the Subscribed Shares, one hundred and fifty million, two hundred and sixty-eight thousand, six hundred and ninety-eight (150,268,698) subscription bonus were issued in the proportion of one (1) subscription bonus for each Subscribed Share

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("Subscription Bonus"). Each Subscription Bonus entitles its holder to subscribe one common share issued by the Company.

9. Exercise and Trade of Subscription Bonus. The Subscription Bonus may be traded on B3 S.A. – Brasil, Bolsa, Balcão ("B3") under the trading code "BEEF 11" as of December 21, 2018, inclusive, and may be exercised, also from December 21, 2018, according to specific procedures and periods that will be detailed in a notice to shareholders to be disclosed by the Company on this.

10. Non-issue of unsubscribed shares. The fourteen million, seven hundred and thirty-one thousand, three hundred and two (14,731,302) common, nominatives, book-entry shares, with no par value, not subscribed during the periods for exercising the preemptive right and for subscriptions for unsubscribed shares will not be issued and therefore will be canceled.

11. Share Capital and Amount of Issued Shares. As a result of the approval of the partially subscribed Capital Increase, the Company's capital share was changed from one hundred and fifty million, four hundred and thirty-one thousand, eight hundred and twenty-three Brazilian Reais and thirty-seven cents (R\$ 150,431,823.37), divided into two hundred twenty-six million, four hundred and eighteen thousand, four hundred and fifty-nine (226,418,459) nominative, book-entry shares, with no par value, issued by the Company, to one billion, one hundred and fifteen million, one hundred and fifty-four reais and fifty-three cents (R\$ 1,115,156,864.53)], divided into three hundred and seventy-six million, six hundred and eighty-seven thousand, one hundred and fifty-seven (376,687,157) registered, book-entry common shares with no par value.

12. Shares Rights. The new shares issued in the Capital Increase will be entitled to the full receipt of dividends and/or interest on capital, as well as any other rights that have been or may be declared by the Company as of October 15, 2018, in equal conditions with other existing shares.

13. Registration of shares. The one hundred and fifty million, two hundred and sixty-eight thousand, six hundred and ninety-eight (150,268,698) new common, nominative, book-entry shares with no par value will be issued and registered on behalf of subscribers, subject to specific rules of the Central Depository of Assets of B3 and Itaú Corretora de Valores S.A., up to 3 (three) business days after approval of the Capital Increase by the Company's Board of Directors.



## **II. Termination of the BRF Shareholders' Agreement**

14. Pursuant to Clause 9.2 of the Company's Shareholders' Agreement executed between BRF S.A. (Corporate Tax Payer Registry No. 01.838.723/0001-27) ("BRF"), and VDQ Holdings S.A. (Corporate Tax Payer Registry No. 08.803.085/0001-58) ("VDQ"), with the intervention of the Company, on November 1, 2013 and amended for the first and only time on December 22, 2015 ("BRF Shareholders Agreement"), if the percentage of Bound Shares (as defined in the BRF Shareholders' Agreement) held by BRF was less than six percent (6%) of the Company's total and voting share capital, the BRF Shareholders' Agreement could be terminated.

15. In this sense, considering that BRF did not subscribe shares issued by the Company in the Capital Increase, remaining the holder of 15,204,100 (fifteen million, two hundred and four thousand and one hundred) common, nominative, book-entry shares with no par value of the Company, its participation in the Company's share capital after the approval of the Capital Increase decreased to four point zero four percent (4.04%) of the Company's total and voting share capital.

16. Additionally, considering that VDQ timely took the measures provided for in the Shareholders' Agreement to notify BRF about the termination of the Shareholders' Agreement, as of December 21<sup>st</sup>, 2018, BRF Shareholders' Agreement will be automatically terminated, by right for all the purposes and effects.

## **III. Amendment to the SALIC Shareholders' Agreement**

17. On this date, SALIC (UK) Limited ("SALIC") and VDQ entered into, with the Company's intervention, the First Amendment to the Company's Shareholders' Agreement ("First Amendment"), originally executed on December 22, 2015 ("SALIC Shareholders' Agreement").

18. The First Amendment has as the main goal the renegotiation of specific terms of SALIC Shareholders' Agree including, among other matters, (i) the creation of a specific rule to remove the Company's Chief Financial Officer; (ii) the inclusion of new resolutions in the list of special resolutions of Company's Board of Directors; (iii) creation of a rule to appoint any new Chief Financial Officer; (iv) the

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reduction of the advance period for the previous meetings provided for in SALIC Shareholders' Agreement; (v) the extension of the lock-up period for an additional period of five (5) years as of the date of execution of the First Amendment; and (vi) the extension of the effectiveness of the SALIC Shareholders' Agreement for an additional period of 5 (five) years.

19. The First Amendment is duly filed at the Company's headquarters and will be recorded in the records kept by the financial institution providing the bookkeeping service, with the annotations in the respective statements, for the purposes of the provisions of article 118 of the Brazilian Corporate Law and is available for consulting on the Company's Investor Relations Department (<http://www.minervafoods.com/ri>) electronic page and on B3 ([www.b3.com.br](http://www.b3.com.br)) and the Brazilian Securities and Exchange Commission ("CVM") ([www.cvm.gov.br](http://www.cvm.gov.br)), electronic pages on the worldwide web, in accordance with the provisions of the Brazilian Corporate Law and the regulations of CVM.

Lastly, the Company reaffirms its commitment to keep the shareholders and the market in general informed about any developments of this matter, as well as any other matters that are relevant to the market.

Barretos, December 20<sup>th</sup>, 2018.

**Minerva S.A.**

Eduardo Pirani Puzziello  
Investors Relations Officer